CLEAN WATER
ACTION

Summary of American Clean Energy and Security Act (ACES)

Clean Water Action supported passage of ACES as it would set a federal policy establishing enforceable limits on global warming pollution as well as other important policies including a national renewable energy standard which would jumpstart our nation's transition to a clean energy economy. Clean Water Action actively campaigned to improve this legislation before passage and intends to continue the fight on important policies including requiring polluters to pay for their emissions and reinvesting the revenue to help ordinary Americans, fighting subsidies for dirty and expensive technologies like coal and nuclear power, and keeping technologies like trash incineration from being classified as renewable energy as the bill moves through the Senate and beyond.

The good:

Mandatory limit on national greenhouse gas emissions: ACES establishes an enforceable emissions cap that covers about 85% of domestic greenhouse gas emissions. Electricity generations, transportation sector, large industry, and producers and distributors of petroleum and natural gas will be regulated.

Renewable energy and energy efficiency investments:

- ACES creates an Efficiency and Renewable Electricity standard which would mandate increasing amounts of efficiency and renewable energy (20% standard can be met by maximum of 8% efficiency and minimum of 12% renewable energy) to be procured by every electric utility.
- ACES directs up to 5% of auction revenue to state efficiency and renewable energy programs, including programs like LIHEAP to support building heating efficiency. It also explicitly affirms the legality of setting a higher price for renewable energy, known as "feed-in tariffs" and bans local "covenants" which restrict solar energy installations.

Green buildings: Establishes national model building energy codes and standards shall be updated to achieve initial energy savings of 30%, rising to 50% by 2015 and then an additional 5% every 3 year. It also mandates a new "Building Energy Performance Labeling Program" to assess the relative energy performance of residential and commercial buildings and provides funding to increase enforcement of building codes.

Appliance efficiency: Creates new efficiency standards for certain lighting products, water dispensers, portable spas, commercial furnaces; incentivizes retailers for selling high-efficiency models.

Water efficiency: Directs EPA to create WaterSense program to reduce water consumption (and thereby energy usage) by labeling the performance of products, buildings, landscaping and services; and requires the federal government to purchase products and services within the top 25% of water efficiency. It also directs EPA and allocates as much as $150m in 2012 to support end-user water efficiency.

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Diesel emission reductions: extends Diesel Emission Reduction Act (DERA) appropriations of $200 million per year until 2016 and requires EPA to study and use their existing Clean Air Act authority to regulate "black carbon" soot

Transportation:

- Requires states and local metropolitan planning organizations to develop new or revised transportation strategies to achieve global warming emission reduction goals with noncompliant states to lose federal funding.
- New vehicle emissions standards that set technology-based emissions reductions limits for heavy-duty engines, non-road vehicles and engines, and aircraft.

Consumer help:

- Health and Human Services directed to pay cash to low income households to balance cost increases from ACES. The Congressional Budget Office estimated that costs in 2020 would average $175 per household and that those households in the lowest twenty percent by income would actually save $40 per year.
- Efficiency standards incorporated in all Housing and Urban Development (HUD) programs, green building standards into Hope VI and other housing programs, and provides funding to increase efficiency of low-income and multi-family housing.
- Workers who successfully petition the Dept. of Labor that their job loss was from carbon regulations to be paid 70% of lost wages for 3 years and receive job training and health care premium payment

The bad:

Weak near-term emissions reductions of 17% by 2020. Most of those reductions can be made by purchasing "offsets" from difficult to measure and enforce projects such as forestry or farming emission reduction

Offsets- covered entities may use "offsets" (domestic or international emissions reductions from sectors unregulated by the cap) to comply with the cap. Permitting *2 billion* tons worth of offsets could forestall actual domestic emissions reductions (and the health and economic benefits of reduced fossil fuel consumption) for decades.

Renewable energy standard inadequate- the requirement to procure a minimum of 12% renewable energy is weaker than most standards already in place at the state level. The penalty for not procuring clean energy is also quite low- $25 per megawatt-hour ($.025/kilowatt-hour) which may not deter utilities which do not want to pursue renewable energy investments.

Renewable energy standard includes dirty energy sources including trash incineration and bill eliminates biomass safeguards designed to protect federal forests, sensitive ecosystems, and wildlife habitat.

Removes EPA's existing authority to directly regulate coal power plants under the Clean Air Act (set emission performance standards for new and existing coal power plants)

Ratepayers forced to support expensive carbon capture and sequestration- forces electric consumers to pay surcharge to a utility-run consortium approx. $1 billion per year to fund carbon capture projects. Also directs EPA to reward electric and industrial CCS projects with valuable pollution allowances for free.

Taxpayers forced to support high-risk energy technologies such as nuclear power through $7.5 billion in Treasury-backed Green Bonds under the "Clean Energy Deployment Administration."

Bill lacks "Low Carbon Fuel Standard" which reduces the carbon intensity of fuels like gasoline and diesel over time and considers full lifecycle impacts of fuels like ethanol and biodiesel, including indirect changes in land-use (deforestation, etc). This will help support truly clean alternative fuels, and prevent expansion of dirty fuels like liquid coal and oil shale.

Questions?

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